

Message Text

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ACTION EA-09

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TAGS: EAGR, MY

SUBJECT: VISIT OF AGRICULTURE SECRETARY BOB BERGLAND,
JUNE 15-17, 1977

REF: (A) K.L. 3784 (B) K.L. 3816

1. SUMMARY: SECRETARY BERGLAND'S VISIT PROVIDED MALAYSIA WITH OPPORTUNITY TO EXPRESS ITS ANXIETY TOWARDS POSSIBLE U.S. PROTECTIONIST POLICIES AGAINST PALM OIL. WHILE SECRETARY'S STATEMENTS AND DISCUSSIONS EASED THESE ANXIETIES TO A CERTAIN EXTENT THEY REMAIN VERY REAL FROM MALAYSIAN POINT OF VIEW. PRINCIPLE REASON FOR MALAYSIAN ANXIETY CAN BE TRACED TO THEIR LACK OF UNDERSTANDING OF AMERICAN POLITICAL SCENE; A SITUATION THEY ARE CONSIDERING TAKING REMEDIAL MEASURES TO CORRECT. END SUMMARY.

2. SECRETARY OF AGRICULTURE BOB BERGLAND'S VISIT TO MALAYSIA PROVIDED THE GOM AND PRIVATE PALM OIL SECTOR THE OPPORTUNITY TO EXPRESS THEIR ANXIETY ABOUT ANY CHANGE IN U.S. TRADE POLICY THAT WOULD AFFECT U.S. IMPORTS OF PALM OIL. AS REPORTED REFTEL A, ALL CONCERNED WERE QUITE LIMITED OFFICIAL USE

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PLEASED WITH BERGLAND'S STATEMENTS THAT CARTER ADMINISTRATION IS COMMITTED TO FREE TRADE POLICIES AND WOULD NOT INITIATE, OR SUPPORT, ANY PROTECTIONIST POLICIES AGAINST PALM OIL. HOWEVER, IN SPITE OF BERGLAND'S REASSURANCES ANXIETIES ABOUT U.S. POLICY STILL EXIST.

3. AS REPORTED IN REFTEL B, THE GOVERNMENT IN FLUENCED NEW

STRAITS TIMES (NST) PUBLISHED AN EDITORIAL ON JUNE 20 STATING THAT THE BERGLAND VISIT WAS "DISAPPOINTING" IN THAT NO FIRM GUARANTEES ARE FUTURE U.S. POLICIES WERE ISSUED. AS NST IS HEAVILY INFLUENCED BY GOM, EMBOFF CALLED ON SECRETARY GENERAL (CHIEF CIVIL SERVANT) OF MINISTRY OF PRIMARY INDUSTRIES IN ORDER TO DETERMINE GOM'S INTERPRETATION OF VISIT.

4. SECGEN INFORMED EMBOFF THAT HIS MINISTRY WAS SURPRISED BY THE EDITORIAL AND WAS NOT HAPPY WITH THE MANNER IN WHICH IT WAS WORDED. AFTER MAKING THESE QUALIFICATIONS SECGEN CONTINUED THAT ANXIETY TOWARDS U.S. POLICY DISPLAYED IN EDITORIAL IS SHARED BY GOM AND LOCAL PALM OIL PRODUCERS. HE COMMENTED THAT, DESPITE CARTER ADMINISTRATION STAND ON FREE TRADE, CONGRESS, IN RESPONSE TO A VOCAL SOYABEAN LOBBY, COULD PASS LEGISLATION AFFECTING PALM OIL IMPORTS. HE THEN CITED CONGRESS' ACTION LAST YEAR BLOCKING U.S. SUPPORT IN IFI'S FOR FINANCING OF OIL AND OIL SEED PROJECTS THAT ARE GEARED FOR EXPORT AS THE TYPE OF ACTION THAT GOM FEARS.

5. COMMENT: WHILE SECRETARY BERGLAND'S VISIT AND STATEMENTS WERE WELCOMED BY MALAYSIA THE GOM CONTINUES TO HARBOR VERY REAL FEARS THAT U.S. WILL TAKE PROTECTIONIST ACTION AGAINST PALM OIL. THESE FEARS ARE PARTIALLY THE RESULT OF THE FACT THAT WHILE THE MALAYSIAN EMBASSY IN LIMITED OFFICIAL USE

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WASHINGTON REPORTS BACK ANY NEWS OF POSSIBLE LEGISLATION CONCERNING PALM OIL THEY DO SO WITHOUT ANY REAL UNDERSTANDING OF THE LIKELIHOOD THAT THE LEGISLATION WILL BECOME LAW. UNTIL SUCH TIME AS MALAYSIA BECOMES BETTER INFORMED ON U.S. POLITICAL SCNE THESE FEARS ARE LIKELY TO PERSIST. HOWEVER, PRIMARY INDUSTRIES DEPUTY MINISTER PAUL LEONG AND OTHERS ARE AWARE OF THIS SITUATION AND THERE IS TALK EITHER OF BEEFING UP THE EMBASSY OR HIRING A LOBBIEST OR BOTH. MILLER

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